



Legislative Fiscal Bureau

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September 2, 2021

TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: Updated Allocations of CRF Monies Under the Federal CARES Act

On December 17, 2020, this office released a memorandum updating the administration's allocation of monies received from the federal Coronavirus Relief Fund (CRF) at that time, titled "Further Allocations of Coronavirus Relief Fund Monies Under the Federal CARES Act." Since that memorandum, the administration has provided updated information on the allocation of these funds, which is summarized in this memorandum.

Background

Wisconsin received a total of \$2.0 billion in direct funds from the CRF. The CARES Act, and subsequent guidance received from the U.S. Department of Treasury, have delineated certain guidelines for the use of these funds. Monies received from the CRF must be used for expenses incurred in response to the COVID-19 pandemic. These expenses must not have been accounted for in the most recently passed budget, as of January 27, 2020. The CARES Act required that these expenses be incurred between March 1, 2020, and December 30, 2020, in order to be eligible uses of the CRF. The federal Consolidated Appropriations Act (CAA) later extended this deadline to December 31, 2021. Money received from the CRF that is not used by December 31, 2021, must be returned to the Treasury.

Treasury considers a cost to have been incurred at the time that a service is performed or a good is delivered. In order to be an eligible use of funds received from the CRF, the performance or delivery of the service or good must occur between March 1, 2020, and December 31, 2021. Funds required to pay for the good or service in question do not necessarily need to be expended prior to December 31, 2021. However, Treasury does expect that payment must occur within 90 days of the cost being incurred. Funds that have been either expended or obligated as of December 31, 2021, are not required to be returned to the Treasury.

Updated Allocations

The administration, as indicated in the December 17, 2020, memorandum, had previously allocated \$1,998.4 million in CRF funds, which was all but \$1.0 million of the state's allocation. An earlier memorandum on the state's use of CRF money described the initiatives funded with these monies. On August 16, 2021, the administration reported that it had expended or obligated the full amount of the state's CRF allocation as of July 31, 2021. The following table indicates program initiatives associated with the administration's previous allocation of CRF monies, the updated allocation, and the change in allocation.

Comparison of Administration's Previous and Current CRF Allocations (\$ in Millions)

<u>Use of Funds</u>	<u>Previous Allocation</u>	<u>Current Allocation</u>	<u>Change in Allocation</u>
Economic Support			
Broadband Expansion	\$5.4	\$4.9	-\$0.5
Privately Owned Movie Theater Grants	10.0	10.0	0.0
Nonprofit Grant Program	10.0	5.4	-4.6
Tourism Grants Program	11.9	11.9	0.0
Cultural Organization Grant Program	15.0	15.0	0.0
Music and Performance Venue Grants	16.5	17.3	0.8
Lodging Industry Grants	20.0	20.2	0.2
Low-Income Home Energy Assistance	26.0	26.0	0.0
Rental Assistance Program	32.0	32.8	0.8
Supplemental Child Care Grants	80.0	79.7	-0.3
Agricultural Supports			
Food Insecurity Initiative	25.0	25.0	0.0
Farm Support Program	50.1	50.1	0.0
Grants to Small Businesses	242.3	242.2	-0.1
Ethanol Industry Assistance	3.3	3.3	0.0
Wisconsin Eye	<u>0.1</u>	<u>0.1</u>	<u>0.0</u>
Subtotal	\$547.6	\$543.9	-\$3.7
Healthcare and Related Costs			
Frontline Worker Hazard/Retention	\$19.0	\$0.0	-\$19.0
Underserved Clinics and Tribal Health	20.0	20.0	0.0
Skilled Nursing Facility Incentive Program	30.0	30.2	0.2
Direct Payments to Hospitals	40.0	40.0	0.0
Medical College of Wisconsin	4.0	4.0	0.0
Long-Term Care Direct Payment Program	60.0	0.0	-60.0
Contact Tracing	75.0	58.7	-16.3
Assistance for Health Providers	100.0	161.3	61.3
Medical Equipment Acquisition			
Personal Protective Equipment	130.0	117.5	-12.5
Ventilators	35.0	31.2	-3.8
Testing Program	468.5	368.3	-100.2

<u>Use of Funds</u>	<u>Previous Allocation</u>	<u>Current Allocation</u>	<u>Change in Allocation</u>
Healthcare and Related Costs (continued)			
Reserve/Surge Operating Fund	\$82.0	\$32.6	-\$49.4
Public Awareness Efforts	3.0	3.0	0.0
Isolation Facilities	1.2	1.0	-0.2
Health Insurance Navigation	1.0	0.9	-0.1
Certified Nursing Assistant Marketing	1.0	1.0	0.0
Other Healthcare	<u>6.5</u>	<u>8.2</u>	<u>1.7</u>
Subtotal	\$1,076.2	\$877.9	-\$198.3
Government and Education Support			
Out-of-School Support Grants	\$6.6	\$6.6	\$0.0
School Aids	0.0	110.0	110.0
Higher Education Funding	37.0	36.8	-0.2
Local and Tribal Government Aid Grants	201.0	201.2	0.2
State Agency Reimbursements	<u>130.0</u>	<u>223.0</u>	<u>93.0</u>
Subtotal	\$374.6	\$577.6	\$203.0
Total	\$1,998.4	\$1,999.4	\$1.0

As shown in the table, the reallocated funds were primarily used to fund a newly-announced \$110 million initiative to provide funds to public schools, increased assistance to health providers (\$61.3 million), and increased state agency reimbursements (\$93.0 million). The largest reallocations of CRF monies compared to the previous allocation came from the long-term care direct payment program (-\$60.0 million), the testing program (-\$100.2 million), and the reserve/surge operating fund (-\$49.4 million).

Regarding the new initiative using CRF monies for school aid funding, Treasury guidance indicates that CRF monies may be transferred to school districts, and that school districts may use these funds to cover costs associated with either providing distance learning or re-opening in-person facilities. Treasury further indicates that as an administrative convenience, expenses of up to \$500 per pupil will be presumed to be eligible expenditures. As a result, school districts will not be required to document the specific uses of funds up to that amount. On a statewide basis, \$500 per pupil would total an estimated \$410.0 million in 2021-22. All other initiatives listed in the table have been described in earlier memoranda released by this office.

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